

Leamington Mennonite Home

POLICY AND PROCEDURE

CATEGORY: Board of Directors	SUBJECT: Conflict of Interest	SECTION: C
DATE: January 2023	Administrator: _____ <i>J. Lu!</i>	POLICY: 1
REVISION DATES:	Board Chair: _____ <i>H. Enns</i>	

CONFLICT OF INTEREST

POLICY:

The purpose of this policy is to help Directors of the Leamington Mennonite Home Board to effectively identify, disclose and manage any actual, potential, or perceived conflicts of interest to protect the integrity of the Leamington Mennonite Home and to manage risk. The term “conflict of interest” refers to a situation where financial, professional or other personal considerations may compromise, or have the appearance of compromising, a Director’s judgment in carrying out his/her fiduciary duties as a Director.

It is the policy of The Home that Directors will not allow personal interests or the interests of relatives, friends, or others, to compromise the Home’s basic functions. Every Director or Delegate*who has an actual, potential, or perceived conflict of interest, including but not limited to a direct or indirect interest in any existing or proposed matter or contract with which the Home is dealing, shall disclose his conflict of interest to the Board and shall recuse himself from the discussion and the voting on any such matter. The procedure for identifying and disclosing conflicts of interest is set out in greater detail below and is to be followed by every Director and Delegate*and all references to Director(s) in this Conflict of Interest Policy shall be read to include Delegate(s)*. Situations where a conflict of interest might arise cannot be set out exhaustively and the examples and principles set out in this Policy are to be regarded as illustrative.

PROCEDURE:

1. Directors have a fiduciary duty to the Leamington Mennonite Home and a clear obligation to conduct all affairs of the Home in an ethical and honest manner. Each person should make the necessary decisions using good judgment and high moral standards as the guidelines and in strict adherence to the Leamington Mennonite Home’s By-laws, the *Corporations Act* and any other applicable law. All decisions of the Home will be made solely based on a desire to promote the best interests of the organization and the residents it serves.
2. Directors will disclose fully the precise nature of any known direct or indirect interest in any existing or proposed contract of the Home in which another party to the transaction includes:
 - a. Himself /herself.
 - b. A family member.
 - c. Any organization with which the Director or member of his/her family is affiliated.
3. Disclosure will be made to the Board or committee of the Board at first knowledge of the

existing or proposed contract and not later than the meeting at which the transaction is first considered or, if the Director is not interested in the contract as of the date of that meeting, at the first meeting after which the Director becomes so interested. If disclosure is made at a committee meeting, it shall be disclosed again at the next following Board meeting to ensure the full Board has received disclosure.

4. Directors shall disclose all relationships and business affiliations which may now, or in the future, conflict, potentially conflict or be perceived to conflict with the interests of the Home or bring direct or indirect personal gain to them, their family, or their business. If any Director or a member of their family, or an organization with which the Director or family member is affiliated, acts in one or more of the following capacities (which list is non-exhaustive and only intended to provide illustrative examples), disclosure must be made:
 - a. Is an officer, director, trustee, partner, employee, or agent of an organization with which the Home does business.
 - b. Is either the actual or beneficial owner of an interest in an organization with which the Home has business dealings.
 - c. Is a consultant for such an organization.
 - d. Has any direct or indirect dealings with an individual or organization from which he/she is materially benefited (e.g., through the receipt directly or indirectly of cash, gifts, or other property) with which the Home has business dealings.
5. In addition to making prompt disclosure(s) on an as-needed basis as required above, every Director will also submit to the Board an annual disclosure letter in the form attached hereto as Appendix A, as may be amended by the Board from time to time.
6. Directors who have an actual, potential, or perceived conflict of interest in any matter will recuse themselves from any discussion on that matter. The person or persons involved will not vote on such matters. However, for special reasons, the Board may request information or interpretation from the person or persons involved. In the event a Director discloses a conflict and refrains from and is not present during the vote, the meeting quorum shall not be affected.
7. Any individual who is uncertain about a conflict of interest in any matter will err on the side of disclosure but where the matter of the conflict is unclear, the Director shall refer the matter to the chair of the Executive Committee or other committee as may be appropriate, or where the issue may involve the chair of the Executive Committee, to a member of the Executive Committee, who is not in conflict. The chair or member of the Executive Committee will resolve the matter informally or refer the matter to the Executive Committee for resolution. If the matter cannot be resolved in accordance with this paragraph to the satisfaction of the chair or member of the Executive Committee, the matter will be referred to the full Board for review and the determination of the Board shall be final.
8. If an actual, potential, or perceived conflict of interest arises after the submission of the annual disclosure letter, the individual is responsible for advising of such occurrence as soon as possible, but not later than the earlier of: (a) 30 days after the occurrence; and (b) the first Board or committee meeting following the occurrence.
9. Each Director who is requested to file an annual disclosure letter should recognize that such filing is a requirement for continued affiliation with the Home and, further, that knowingly failing to disclose a potential conflict of interest could result in a request for resignation and removal from office pursuant to the Corporate By-law and the

Corporations Act.

10. If any Director believes that another Director:
 - a. Has breached his/her duties to the Home;
 - b. Is in a position where there is potential breach of duty to the Home;
 - c. Has an actual or potential conflict of interest;
 - d. Has behaved or is likely to behave in a manner inconsistent with the highest standards of public trust and integrity and such behaviour may have an adverse impact on the Home,then the Director will refer the other to the Procedure for declaring conflicts of interest outlined above and the Director so referred will comply with the said Procedure.
11. At the beginning of every Board and committee meeting, Directors will be requested to declare any conflicts of interest. If there are no disclosures, the minutes will reflect this accordingly. The Board will record every disclosure of an actual, potential, or perceived conflict of interest and its general nature in the minutes.
12. If a Director has disclosed a conflict of interest in compliance with this Policy, the Director shall not be accountable to the Home for any profits the Director may realize from the decision.
13. A Director's failure to comply with the Policy shall not in or of itself invalidate any Board decision.

*Delegate: including but not limited to - church chair, church representative, guest pastor, leadership team member

FORMS:

Appendix A – Conflict of Interest: Disclosure Statement